

Earthquake Reconstruction and Health Services Extension Project (RHESSA)

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In 2001, El Salvador was rocked by two earthquakes that killed 1,260 people and destroyed eight hospitals. Furthermore, 113 of the country's 361 health care facilities were destroyed or seriously damaged. Altogether, 55 percent of the Ministry of Health's (MOH) supply of health care services was affected.

Due to the damages caused by the earthquakes, the country faced serious challenges in terms of health care efficiency and coverage, mainly for poor households. Only 66 percent of Salvadorans had access to health care services, meaning that 2 million lacked or had limited access to these services. This situation, which still persists today, mainly affects the population from rural areas or marginalized urban areas.

To face this challenge, the Government of El Salvador –GOES– prepared a master plan to improve health care services throughout the country. The plan was implemented by the Ministry of Public Health and Social Assistance (MOH) and aimed to repair main offices and labs; rehabilitate or rebuild major hospitals which considerably reduced their operations after the earthquakes; and extend basic health care and nutrition services with a mother-child focus targeting the country's poorest municipalities.

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RHESSA Project Objectives and Components

The main objective of the project is to restore hospital operations in the seven hospitals most damaged by the earthquakes (component I) and improve the health status of the most vulnerable population living in the central, para-central and northern regions of El Salvador (Components II, III and IV). The project intends to fulfill these goals by: (i) rebuilding damaged hospitals; (ii) extending coverage of basic health care and nutrition services through community participation; and (iii) strengthening the MOH's institutional capacity to develop and implement health care policies and programs.

Below is a detailed explanation of project components.

Component I: Emergency Reconstruction of MOH Hospital Network in Earthquake-affected Areas (Component Cost: US\$127 million).

This component includes feasibility and engineering studies, architectural design and construction and rehabilitation projects for the physical and operational recovery of hospital facilities damaged by the earthquakes. The component additionally provides equipment needed for the efficient operation of the country's hospital network.

Subcomponents

- Construction and rehabilitation of seven of the largest hospitals damaged by the earthquakes (see Table 1),
- Corrective and preventive maintenance for hospitals

Table 1
PUBLIC SECTOR HOSPITALS TO BE REBUILT

Hospital	Degree of Damage	Recommended Action	Population Served	Progress Status
San Juan de Dios (San miguel)	Medium	Rehabilitation and Structural Strengthening	425,492	Project implementation stage in physics since March 2008
San Rafael (La Libertad)	High	Rehabilitation and reconstruction	866,586	First phase completed and inaugurated
Santa Teresa	Medium-	Rehabilitation and	331,924	Project implementation stage in physics since June

resources

Additional information

- [Project document](#)
- [RHESSA Project](#)
- [Interview with Rafael Cortez, World Bank task manager](#) s
- [World Bank health sector efforts in Latin America](#)

Progress made in hospital reconstruction (s)

- [San Juan de Dios Hospital](#)
- [Santa Teresa Hospital](#)
- [San Pedro Hospital](#)
- [Cojutepeque Hospital](#)
- [San Rafael Hospital](#)
- [San Vicente Hospital](#)

General information

Implementing Agency	Ministry of Public Health and Social Assistance (MOH)
Amount of Loan	US\$100 million
Disbursement by June 30, 2008	US\$80.54 million
Counterpart	US\$23.1 million
Project Launch Date	September 11, 2003
Repayment Period	17 years, including a five-year grace period
Variable Interest	Rate 6 month LIBOR + 0.30%. Currently at 5.68%
Closing Date	October 31, 2009

(Zacatecoluca)	high	Structural Strengthening		2007.
San Pedro (Usulután)	Medium	Rehabilitation and reconstruction	228,619	Project implementation stage in physics since June 2007.
Santa Gertrudis (San Vicente)	Medium-high	Reconstruction and relocation	185,628	Project implementation stage in physics since February 2007.
Cojutepeque (Cuscatlán)	Medium-high	Reconstruction and relocation	188,078	Completed and inaugurated in December 2007 and handed over to operation in January 2008.
Maternidad * (San Salvador)	Medium-high	Feasibility Study Pending	Nationwide	The bidding process began in July 2008

* Specific actions with respect to this hospital was established in accordance with the recommendations in the feasibility study submitted by an outside consulting firm hired in June 2008.

Component II: Extending Health Care and Nutrition Coverage to Earthquake-Affected and Poverty-Stricken Areas.

This component has been designed considering the synergic relationship that exists between nutrition and health. The integration of both interventions is expected to address health care problems of target populations efficiently. The component will deliver essential curative care; health care promotion; reproductive health; and pre-natal care. Nutrition will focus on child growth control and promotion efforts to improve under-two child nutrition.

Subcomponents

- Extending health care service coverage to poor rural areas in the country's northern region via Non-Governmental Organizations (NGOs), with a focus on care outside hospital facilities and community participation;
- Extending health care service coverage by strengthening the MOH's capacity to deliver health care services in earthquake-affected areas in the country's para-central region (equipment, essential drugs, and medical supplies);
- Strengthening the MOH's capacity to plan coverage extension, to manage contracts and performance agreements and to monitor and evaluate performance.

Component III: Strengthening the MOH's Institutional Capacity for Policy Formation, National Priority Programs and Support Systems.

This component seeks to strengthen the capacity of the MOH to perform stewardship functions in the health sector. Institutional improvements will be aimed at enhancing capacities such as formation and implementation of policies, health-related goals and public health programs consistent with the national epidemiological profiles. Financial incentives will be provided to support an Institutional Strengthening and Decentralization Strategy that will be aimed at guiding health sector priorities, service supply and demand and health sector reform.

Component IV: Project Management, Monitoring and Assessment

This component supports the management of Components II and III, including the design and implementation of a monitoring system for component supervision. The component will also help perform a comprehensive project evaluation (including Component I) by means of process and impact assessments. Finally, the component will also finance annual audits, consultants, equipment and facilities required for the proper operation of the Project Coordinator Unit.

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Project Progress

The project's original design created in 2001 estimated a total investment of US\$169.4 million. Out of the total investment, US\$142.6 million would be funded by the World Bank and the rest would come from counterpart funds. As shown in Table 2, a total of US\$95.5 million has been committed to date, which represents just over 56 percent of the project.

Table 2 Summary of the Project's Financial Aspects as of February 28, 2007		
Component	Original Estimated Investment (in millions of dollars)	Committed and Executed * (as a % of the relevant component)

	Total	Loan	Counterpart	Total	Loan	Counterpart
I. Hospital reconstruction	126.8	112.4	14.4	58.7	59.0	55.6
II. Extension of Essential Health Care and Nutrition Services	17.7	13.4	4.3	65.0	70.1	49.8
III. Strengthening MOH's Institutional Capacity	14.8	11.3	3.5	45.9	50.6	31.1
IV. Project Management, Monitoring and Assessment (includes financial costs)	10.1	5.5	4.6	27.7	33.8	20.7
	169.4	142.6	26.8	56.4	58.4	45.5

* Includes disbursements from loan and counterpart funds for \$80.54 million (executed), while the rest are agreements that are already signed and underway (committed). This table is expected to be updated on a quarterly basis.

Progress in Hospital Reconstruction



San Rafael Hospital. World Bank mission overseeing construction sites.

Although one can not dismiss the backwardness in relation to the original timetable for implementation, since the first half of 2005 the project has achieved a major breakthrough in tenders and the start of construction of the works in the hospital network. To date, there have been more than 90 activities and technical analysis-flat-architectural designs needed to begin the bidding process and start the rebuilding of hospitals. As reflected elCuadro not. 1, four hospitals are in full execution of construction contracts ([San Vicente](#), [Zacatecoluca](#), [Usulután](#), and [San Miguel](#)), and hospitals de [San Rafael](#) and [Cojutepeque](#) have been completed, inaugurated and put into operation.

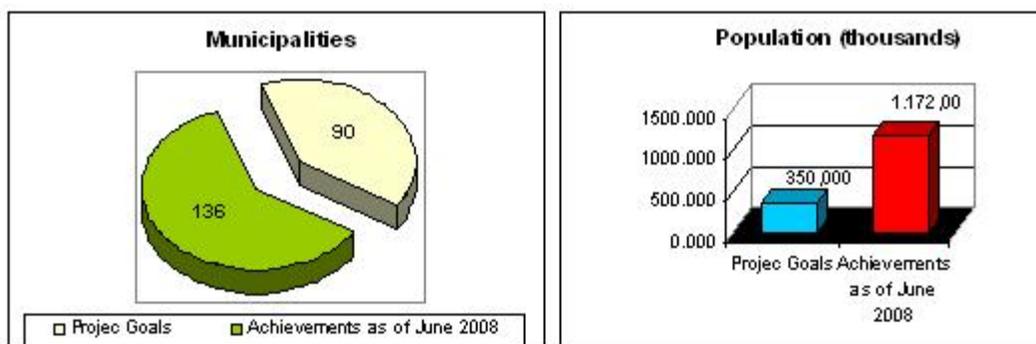
As for the Maternity Hospital, the results of the study on "[Review and update the study of structural repairs, lifelines and terms of reference for the National Maternity Hospital](#)" were presented during the month of June 2008. According to the recommendations emanating from this study were defined and started the bidding process and are now on sale documents for

national or international companies interested in participating in that process.

Progress in Health Care and Nutrition Service Coverage

In relation to extending the coverage of health services, project goals are met more quickly than initially planned. Currently serves 1,200,000 people in 136 municipalities in the country surpassing the target set initially for the project.

Chart 1
Coverage Extension as of June 2008



Progress on the institutional strengthening of the MSPAS

Under this component has been invested in critical issues related to: (i) The management of human resources and training plan of the MSPAS, (ii) The development of a national plan of hospital waste and environmental sanitation, (iii) The development of a communications strategy and promoting health, (iv) Improving the information systems of health MSPAS and (v) The emphasis on public health priorities related to dengue and HIV / AIDS and other significant damage. Today, in order to update and standardize criteria in the rules of institutional MSPAS, has already made the training of medical staff, nurses and ministry officials. Finally, it has developed the proposal for the creation of the Directorate of Extension of coverage to ensure continuity and sustainability of the expansion of health and nutrition services in the long term.

This component has financed the technical and administrative staff of the Project Coordination Unit (RHESSA) as well as their equipment and office expenses. Additionally, under this component has created a unique system of financial administration for all components of the project, and a monthly statistical report of activities for the integration of information from NGOs and health units with different instruments. At the same time, is the impact assessment program linked to the Solidarity Network. This component has started in 2007, an analysis of the impact of the two modalities used in the Component II for the extension of health services: the institutional strengthening of the MSPAS and the hiring of non-governmental organizations, survey completed to date.

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FAQ

When is expected the works of the hospitals?

At the end of the year 2007 was completed and handed over the hospital in Cojutepeque and for the end of he year 2008se includes works in the San Rafael hospital (except in one building that would be delivered in the first months of 2009) and San Vicente (presents a physical progress of 65%). In 2009 envisaged that the project's Hospital of San Miguel, Zacatecoluca, Usulután, along with the Maternity Hospital

In the original design of the project included the reconstruction of the Maternity Hospital in the city of San Salvador. Why was the doubt about its construction?

When preparing the project was deemed to build seven hospitals, including maternity. The budget estimated at that time used the reference prices of similar buildings in the years 2000 and 2001. At present, and after having conducted a competitive bidding process for the first 5 hospitals (see table no.1), the total construction costs of the same has been higher than what was originally estimated as a result of the cumulative effect of inflation in recent years.

Some months ago there was talk of a feasibility study for the Maternity Hospital. Especially it was stated that the results of that dictate the way forward for construction of the hospital.

Actually were conducted [feasibility studies of the technique Maternity Hospital and the results showed that there should be a rehabilitation](#), that is, strengthening and improving all the vital services of the hospital so that it is functional, ie, that it can operate as well as a new hospital. Technical considerations are what have defined the way forward. It is worth mentioning that this is something different from a building, as the rehabilitation is a gradual process of reconstruction by considering the current work being played and technical equipment and human.

Why were delays in the approval of the bidding process for Parenting?

All processes that have led to this tender document had been made on the basis of many studies of pre investment. Usually a bidding process is a lengthy process, but the mother has not been extensive in relation to other hospitals.

First, a tender document is a report where it should be very clear specifications of what they want to do, so that the bidders have very clear what is not built and built, as well as the conditions under which will be governed. What has happened here is that there was no clear process as such, ie the tender initially involves items such as the pre qualification (for a review of the information before having a final shortlist of bidders, lasts approximately) and post qualification (where there are clear criteria for selection on the basis of information received).

The unit executing the project requested the World Bank the exception of the pre-qualification process for technical reasons because this is not a complex, if no intermediate complex. As a result of this request and the approval of the Bank, we will have is an international invitation in three or four capital cities of countries throughout the Latin American region, which are usually large corporations that are associated with local companies to apply and that guarantees us increased competitiveness.

Took a while to be clear on the process, but the World Bank and the Ministry of Health have reached a positive agreement which will have a more finished work.

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For more details on this and other topics, please see the most recent interviews with Rafael Cortez, Project Manager by the World Bank:

2008

- El Diario de Hoy: "The World Bank is likely another extension for hospitals." San Salvador, 03 and July 2008.

El Diario de Hoy: "[People urges that hospitals are ready](#)" San Salvador, Sunday, April 20, 2008.

- El Diario de Hoy: "[This year we will begin the reconstruction of three hospitals](#)" San Salvador, Sunday, April 20, 2008.

2007

- La Prensa Gráfica: "[We recommend restructuring the team RHESSA.](#)" San Salvador, 04 March 2007.
- [El Faro. "There was not a single formal complaint about the bidding process, hiring and awarding of the project." San Salvador. 09 - April 15, 2007.](#)

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